

MIL08PSI

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	DEED
NAME OF PROPERTY OWNER OR GRANTOR OR GRANTEE:	JOANN MARIE MILLS
PURPOSE:	PUBLIC SAFETY INITIATIVE
ADDRESS:	310 SOUTH 7 TH STREET
PARCEL NO:	2945-143-20-022
CITY DEPARTMENT:	PUBLIC WORKS AND PLANNING
YEAR:	2008
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

WARRANTY DEED

JoAnn Marie Mills, Grantor, whose address is 860 Chipeta Avenue, Grand Junction, CO 81501, for and in consideration of the sum of **One Hundred Sixty-Seven Thousand and 00/100 Dollars (\$167,000.00)**, the receipt and sufficiency of which is hereby acknowledged, has sold, granted and conveyed, and by these presents does hereby sell, grant and convey to **The City of Grand Junction, a Colorado home rule municipality, Grantee**, whose address is 250 North 5th Street, Grand Junction, Colorado 81501, its successors and assigns forever, the following described real property in the County of Mesa, State of Colorado, to wit:

922417

The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;
Together with a right of way for sewer and water main across the East 45 feet of said lots;
And also together with a right of way across Lots 9 and 10 in Block 137, City of Grand Junction, for necessary purposes, as set forth in that Judgment Decree recorded October 29, 1984 in Book 1514 at Page 457, Reception No. 1374633.

Commonly known as 310 South 7th Street, Grand Junction, CO 81501.

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereunto belonging or in anywise appertaining, unto the said Grantee and unto its successors and assigns forever, the said Grantor hereby covenants that she will warrant and defend the title to said premises unto the said Grantee and unto its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

Executed and delivered this 5th day of November, 2008.

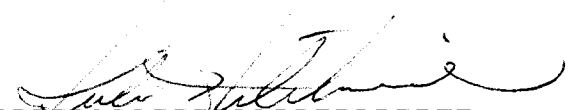

JoAnn Marie Mills

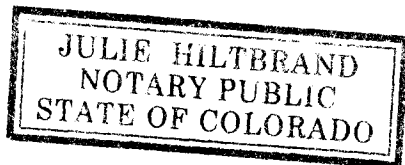
State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this 5th day of November, 2008, by JoAnn Marie Mills.

My commission expires: 8-12-09

Witness my hand and official seal.


Notary Public



Contract to Buy & Sell Real Estate

1 THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES
2 SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.
3

4 Date: October 28, 2008
5

6 1. **AGREEMENT.** Buyer agrees to buy and the undersigned Seller agrees to sell
7 the Property defined below on the terms and conditions set forth in this Contract.
8

9 2. **DEFINED TERMS.**

10 a. **Buyer.** Buyer will take title to the real property described below as **The**
11 **City of Grand Junction, a Colorado home rule municipality.**
12

13 b. **Seller.** **JoAnn Marie Mills.**
14

15 c. **Property.** The Property is the following legally described real estate:
16

17 **2945-144-32-012:** The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot
18 8 in Block 137 of the City of Grand Junction;
19

20 Together with a right of way for sewer and water main across the East 45 feet of said
21 lots;
22

23 And also together with a right of way as now constructed across Lots 9 and 10 in Block
24 137 for any necessary purposes.

25 Commonly known as 310 South 7th Street, Grand Junction, CO 81501.
26

27 Each of the foregoing Parcels shall be conveyed to Buyer together with all of the
28 interests, easements, rights, benefits and privileges appurtenant thereto.
29

30 d. **Dates and Deadlines.**
31

Item No.	Reference	Event	Date or Deadline
1	§5	Title Deadline	October 30, 2008
2	§6a.	Title Objection Deadline	October 31, 2008
3	§6b.	Off-Record Matters Deadline	October 30, 2008
4	§6b.	Off-Record Matters Objection Deadline	October 31, 2008
5	§7	Seller's Property Disclosure Deadline	October 30, 2008
6	§7b.	Inspection Objection Deadline	October 31, 2008
7	§7c.	Resolution Deadline	November 3, 2008
8	§21b.	City Council Ratification Deadline	November 3, 2008
9	§8	Closing Date	November 5, 2008
10	§13	Possession Date	November 5, 2008
11	§13	Possession Time	5:00 p.m. M.S.T.
12	§25	Acceptance Deadline Date	October 28, 2008
13	§25	Acceptance Deadline Time	2:00 p.m. M.S.T.

32 e. **Attachments.** The following exhibits, attachments and addenda are a
33 part of this contract: **Attachment "A": Seller's Property Disclosure** and
34 **Attachment "B": Warranty Deed**
35

36 f. **Applicability of Terms.** A check or similar mark in a box means that
37 such provision is applicable. The abbreviation "N/A" means not applicable.
38

39 3. **INCLUSIONS AND EXCLUSIONS.**
40

41 a. The purchase price includes the following items ("Inclusions"):
42

43 (1) **Fixtures.** None.
44

45 **b. Instruments of Transfer.** The Inclusions are to be conveyed at Closing
46 free and clear of all taxes, liens and encumbrances.

47
48 **c. Exclusions.** The following attached fixtures are excluded from this sale:
49 N/A

50
51 **4. PURCHASE PRICE AND TERMS.** The Purchase Price set forth below shall be
52 payable in U.S. Dollars by Buyer as follows:
53

Item No.	Reference	Item	Amount	Amount
1	§ 4	Purchase Price	\$ 167,000.00	
2	§ 4a	Earnest Money		\$ 10,000.00
3	§ 4b	Cash at Closing		\$ 157,000.00
4		TOTAL	\$ 167,000.00	\$ 167,000.00

54
55
56 **a. Earnest Money.** The Earnest Money set forth in this Section, in the form
57 of Buyer's check, is part payment of the Purchase Price and shall be payable to
58 and held by **Abstract & Title Company of Mesa County Inc.** ("Closing
59 Company"), in its trust account, on behalf of both Seller and Buyer. The parties
60 authorize delivery of the Earnest Money to the Closing Company at or before
61 closing
62

63 **b. Cash at Closing.** All amounts paid by Buyer at Closing including Cash at
64 Closing, plus Buyer's closing costs, shall be in funds which comply with all
65 applicable Colorado laws, which include Buyer's check, cash, electronic transfer
66 funds, certified check, savings and loan teller's check and cashier's check ("Good
67 Funds").
68

69 **5. EVIDENCE OF TITLE.** On or before **Title Deadline** (§2d, Item 1), Seller shall
70 cause to be furnished to Buyer's City Attorney with a copy to Buyer's City Real Estate
71 Manager, at Seller's expense, a current commitment for owner's title insurance policy
72 ("Title Commitment") in an amount equal to the Purchase Price, together with true and
73 legible copies of all instruments referred to therein, including, but not limited to, true and
74 legible copies of any plats, declarations, covenants, conditions and restrictions
75 describing, affecting or burdening the Property and true and legible copies of any other
76 documents listed in the schedule of exceptions ("Exceptions"). Seller shall have the
77 obligation to furnish the documents pursuant to this subsection without any request or
78 demand by Buyer. The Title Commitment together with copies of such documents
79 furnished pursuant to this Section shall constitute the title documents ("Title
80 Documents"). The Title Commitment shall commit to delete or insure over the standard
81 exceptions which relate to:
82

- 83 (1) parties in possession,
- 84 (2) unrecorded easements,
- 85 (3) survey matters
- 86 (4) any unrecorded mechanics' liens,
- 87 (5) unpaid taxes, assessments and unredeemed tax sales prior to year of
88 Closing, and
- 89 (6) gap period (effective date of the Title Commitment to the date the deed is
90 recorded).

91
92 Any additional premium expense to obtain this additional coverage shall be paid
93 by Seller. Seller shall cause the title insurance policy to be delivered to Buyer as soon
94 as practicable, at or after Closing.
95
96
97

98 **6. TITLE.**

99
100 **a. Title Review.** Buyer shall have the right to inspect the Title Documents.
101 Written notice by Buyer to Seller of unmerchantability of title or of any other
102 unsatisfactory condition shown by the Title Documents shall be signed by or on
103 behalf of Buyer and given to Seller on or before the **Title Objection Deadline**
104 (§2d, Item 2), or within five (5) business days after receipt by Buyer of any Title
105 Document(s) or endorsement(s) adding new Exception(s) to the Title
106 Commitment together with a copy of the Title Document(s) adding new
107 Exception(s) to title, whichever is later. If Buyer does not mail its notice by the
108 date(s) specified above, Buyer shall be deemed to have accepted as satisfactory
109 the condition of title as disclosed by the Title Documents.
110

111 **b. Matters not Shown by the Public Records.** Seller shall deliver to Buyer,
112 on or before the **Off-Record Matters Deadline** (§2d, Item 3), true copies of all
113 lease(s) and survey(s) in Seller's possession pertaining to the Property and shall
114 disclose to Buyer all easements, liens or other title matters not shown by the
115 public records of which Seller has actual knowledge. Buyer shall have the right
116 to inspect the Property to determine if any third party(ies) has any right in the
117 Property not shown by the public records (such as an unrecorded easement,
118 unrecorded lease, or boundary line discrepancy). Written notice of any
119 unsatisfactory condition(s) disclosed by Seller or revealed by such inspection
120 shall be signed by or on behalf of Buyer and mailed to Seller on or before the
121 **Off-Record Matters Objection Deadline** (§2d, Item 4). If Buyer does not mail
122 Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of
123 third parties of which Buyer has actual knowledge.
124

125 **c. Right to Cure.** If Seller receives notice of unmerchantability of title or any
126 other unsatisfactory title condition(s) or commitment terms as provided in §6a or
127 §6b above, Seller shall use reasonable efforts to correct said items and bear any
128 nominal expenses to correct the same prior to Closing. If such unsatisfactory title
129 condition(s) are not corrected on or before Closing, this contract shall then
130 terminate; provided, however, Buyer may, by written notice given to Seller, on or
131 before Closing, waive objection to such items.
132

133 **7. PROPERTY DISCLOSURE AND INSPECTION.** On or before **Seller's Property**
134 **Disclosure Deadline** (§2d, Item 5), Seller shall complete and return to Buyer the
135 attached **Seller's Property Disclosure (Attachment "A")**, providing a written
136 disclosure of adverse matters regarding the Property completed by Seller to the best of
137 Seller's current actual knowledge.
138

139 **a. Inspection.** Buyer shall have the right, at Buyer's expense, to conduct
140 inspections of the physical condition of the Property and Inclusions
141 ("Inspections"); prior to closing. The Inspections may include, but not be limited
142 to, boundary surveys, engineering surveys, soils samples and surveys and
143 environmental surveys. Buyer is responsible for payment of all inspections,
144 surveys, engineering reports, environmental reports or for any other work
145 performed at Buyer's request and shall pay for any damage which occurs to the
146 Property and Inclusions as a result of such activities if Closing does not occur as
147 provided herein. If Buyer does not close as provided for herein, Buyer shall not
148 permit claims or liens of any kind against the Property for inspections, surveys,
149 engineering reports, environmental reports and for any other work performed on
150 the Property at Buyer's request. The provisions of this subsection shall survive
151 the termination of this Contract.
152

153 **b. Inspection Objection Deadline.** If the physical condition of the Property
154 or Inclusions is unsatisfactory as determined by Buyer's sole and subjective
155 discretion, Buyer shall, on or before the **Inspection Objection Deadline** (§2d,
156 Item 6), either:
157

158 (1) notify Seller in writing that this Contract is terminated, in which case all
159 payments and things of value received hereunder shall be returned to
160 Buyer, or
161

162 (2) provide Seller with a written description of any unsatisfactory physical
163 condition(s) which Buyer requires Seller to correct at no cost or expense
164 to Buyer ("Notice to Correct"), on or before the **Resolution Deadline** (§2d,
165 Item 7).
166

167 If written notice is not mailed to Seller on or before the **Inspection**
168 **Objection Deadline** (§2d, Item 6), the physical condition of the Property
169 and Inclusions shall be deemed to be satisfactory to Buyer.
170

171 c. **Resolution Deadline.** If a Notice to Correct is timely mailed to Seller and
172 if Buyer and Seller have not agreed in writing to a settlement thereof on or before
173 the **Resolution Deadline** (§2d, Item 7) excluding the post-closing inspection(s);
174 this Contract shall terminate and all payments and things of value received
175 hereunder shall be returned to Buyer, unless before such termination Seller
176 receives Buyer's written withdrawal of the Notice to Correct.
177

178 8. **CLOSING.** Delivery of deed from Seller to Buyer shall be on the date specified
179 as the **Closing Date** (§2d, Item 9) or by mutual agreement at an earlier date ("Closing").
180 The hour and place of Closing shall be as designated by mutual agreement between
181 Seller and Buyer at Abstract & Title Company of Mesa County, Inc.
182

183 9. **TRANSFER OF TITLE.** Subject to tender or payment at Closing as required
184 herein and compliance by Buyer with the other terms and provisions hereof, Seller shall
185 execute and deliver a good and sufficient General Warranty Deed to Buyer
186 (**Attachment "B"**), at Closing, conveying the Property free and clear of all taxes except
187 the general taxes for the year of Closing, all leases, all tenancies and all leasehold
188 interests. Except as provided herein, title shall be conveyed free and clear of all liens,
189 including any governmental liens for special improvements installed as of the date of
190 Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:
191

192 a. those specific Exceptions described by reference to recorded documents
193 as reflected in the Title Documents accepted by Buyer in accordance with §6a
194 [Title Review];
195

196 b. those specifically described rights of third parties not shown by the public
197 records of which Buyer has actual knowledge and which were accepted by Buyer
198 in accordance with §6b [Matters not Shown by the Public Records]; and
199

200 c. no others.
201

202 10. **PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall
203 be paid at or before Closing from the proceeds of this transaction or from any other
204 source.
205

206 11. **CLOSING COSTS; DOCUMENTS AND SERVICES.** Buyer and Seller shall pay,
207 in Good Funds, their respective Closing costs and all other items required to be paid at
208 Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete
209 all customary or reasonably required documents at or before Closing. Fees for real
210 estate closing services shall be paid at Closing by One-Half by Buyer and One-Half by
211 Seller. Any sales and use tax that may accrue because of this transaction shall be paid
212 when due by Seller.
213

214 12. **PRORATIONS.** The following shall be prorated to the **Closing Date** (§2d, Item
215 9), except as otherwise provided:
216

217 a. **Personal Property Taxes.** Personal property taxes, if any, shall be paid
218 by Seller;
219

220 **b. General Real Estate Taxes.** General real estate taxes shall be prorated
221 to the Closing Date based on the most recent mill levy and the most recent
222 assessment;
223

224 **c. Utilities and Other Services.** Seller shall pay for all fees and charges for
225 all utilities and services which have accrued as of the Closing Date. Buyer shall
226 be responsible for all utilities fees and services which accrue thereafter.
227

228 **d. Final Settlement.** Unless otherwise agreed in writing, these prorations
229 shall be final.
230

231 **13. POSSESSION.** Possession of the Property shall be delivered to Buyer on
232 **Possession Date** (§2d, Item 10) and **Possession Time** (§2d, Item 11), free and clear
233 of any and all leases and tenancies. If Seller, after Closing, fails to deliver possession
234 as specified Seller shall be subject to eviction and shall be additionally liable to Buyer
235 for payment of \$100.00 per day from the Possession Date until possession is delivered.
236

237 **14. NOT ASSIGNABLE.** This Contract shall not be assignable by Buyer without
238 Seller's prior written consent. Except as so restricted, this Contract shall inure to the
239 benefit of and be binding upon the heirs, personal representatives, successors and
240 assigns of both parties.
241

242 **15. CONDITION OF AND DAMAGE TO THE PROPERTY AND INCLUSIONS.**
243 Except as otherwise provided in this Contract, both the Property and the Inclusions shall
244 be delivered in the condition existing as of the date of this Contract, ordinary wear and
245 tear excepted.
246

247 **16. LEGAL AND TAX COUNSEL; AMBIGUITIES.** (a) Buyer and Seller have each
248 obtained the advise of its/their own legal and tax counsel regarding this Contract or has
249 knowingly declined to do so. (b) The parties agree that the rule of construing
250 ambiguities against the drafter shall have no application to this Contract.
251

252 **17. TIME OF THE ESSENCE/REMEDIES.** Time is of the essence hereof. If any
253 note or check received as Earnest Money hereunder or any other payment due
254 hereunder is not paid, honored or tendered when due, or if any other obligation
255 hereunder is not performed or waived as herein provided, there shall be the following
256 remedies:
257

258 **a. If Buyer is in Default,** the Earnest Money shall be paid to Seller and both
259 parties shall thereafter be released from all obligations hereunder, except for the
260 duties created by §7a. It is agreed that the Earnest Money is LIQUIDATED
261 DAMAGES and is SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to
262 perform the obligations of this Contract. Seller expressly waives the remedies of
263 specific performance and additional damages.
264

265 **b. If Seller is in Default,** Buyer may elect to treat this Contract as canceled
266 in which case all payments and things of value received hereunder shall be
267 returned to Buyer and Buyer may: either recover such damages as may be
268 proper, or Buyer may elect to treat this Contract as being in full force and effect
269 and Buyer shall have the right to specific performance of damages, or both.
270

271 **c. Costs and Expenses.** In the event of any arbitration or litigation relating
272 to this Contract, each party shall share the costs of such arbitrator but otherwise
273 all reasonable costs and expenses, including reasonable attorney fees, shall be
274 paid by each respective party.
275

276 **18. MEDIATION.** If a dispute arises relating to this Contract, prior to or after Closing,
277 and is not resolved, the parties shall first proceed in good faith to submit the matter to
278 mediation. Mediation is a process in which the parties meet with an impartial person
279 who helps to resolve the dispute informally and confidentially. Mediators cannot impose
280 binding decisions. The parties to the dispute must agree before any settlement is
281 binding. The parties will jointly appoint an acceptable mediator and will share equally in

282 the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in
283 the event the entire dispute is not resolved thirty (30) calendar days from the date
284 written notice requesting mediation is sent by one party to the other. This section shall
285 not alter any date in this Contract, unless otherwise agreed in writing.
286

287 **19. EARNEST MONEY DISPUTE.** Notwithstanding any termination of this Contract,
288 Buyer and Seller agree that, in the event of any controversy regarding the Earnest
289 Money and things of value held by Closing Agent (unless mutual written instructions are
290 received by the holder of the Earnest Money and things of value), Closing Agent shall
291 not be required to take any action but may await any proceeding, or at Closing Agent's
292 option and sole discretion, may interplead all parties and deposit any moneys or things
293 of value into the District Court of Mesa County, Colorado.
294

295 **20. TERMINATION.** In the event this Contract is terminated, all payments and things
296 of value received hereunder shall be returned and the parties shall be relieved of all
297 obligations hereunder, subject to §7a (Inspection Costs), §17b (If Seller is in Default),
298 §18 (Mediation), and §19 (Earnest Money Dispute).
299

300 **21. ADDITIONAL PROVISIONS.**

301
302 **a. Purchase in Lieu of Condemnation.** Buyer is a governmental authority
303 and has determined that the purchase of the Property is necessary for the health,
304 safety and welfare of the inhabitants of the City of Grand Junction; therefore,
305 Buyer has the authority, pursuant to the laws of the State of Colorado, to acquire
306 the Property through condemnation proceedings by exercising its power of
307 eminent domain. Notwithstanding the preceding statements, Buyer desires to
308 purchase the subject property through friendly negotiations and thereby avoid
309 condemnation proceedings.
310

311 **b. City Council Consent.** The execution of this Contract by the City
312 Manager of the City of Grand Junction and Buyer's obligation to proceed under
313 its terms and conditions is expressly conditioned upon and subject to the formal
314 ratification, confirmation and consent of the Grand Junction City Council with
315 regards to: (1) the terms, covenants, conditions, duties and obligations to be
316 performed by Buyer in accordance with this Contract, and (2) the allocation of
317 funds to pay the Purchase Price and all other costs and expenses necessary to
318 perform Buyer's due diligence inspections of the Property. In the event such
319 ratification, confirmation and consent is not obtained on or before the **City**
320 **Council Ratification Deadline** (§2d, Item 8), this Contract shall automatically
321 terminate, both parties shall thereafter be released from all obligations hereunder
322 and the Earnest Money received hereunder shall be returned to Buyer.
323

324 **c. No Fees or Commissions.** Buyer and Seller each warrant that no person
325 or selling agency has been employed or retained to solicit or secure this Contract upon
326 any agreement or understanding for a commission, percentage, brokerage or contingent
327 fee. Each party agrees to defend, indemnify and hold the other party harmless from any
328 claim for real estate brokerage commissions or finder's fees arising out of this Contract.
329

330 **d. Instrument of Transfer.** Buyer and Seller each agree that title to the
331 Property will be conveyed from Seller to Buyer in the exact form of the General
332 Warranty Deed attached hereto as **Attachment "B"** and incorporated herein by
333 reference. Seller agrees to assign to Buyer the November, 2008 rent due November 1,
334 2008. Seller shall provide written notice to Tenant: 1) Assigning rent to the Buyer, and
335 2) Ending the Tenancy by December 1, 2008. Seller shall provide the Notice to Tenant
336 on or before November 1, 2008, with a copy to the Buyer.
337

338 **e. Replacement Property.** This contract is for the acquisition by the Seller
339 of "replacement property" pursuant to Section 1031 of the Internal Revenue Code.
340 Buyer agrees to cooperate with Seller in such exchange and to sign and deliver to
341 Seller any and all documents reasonably required to complete Seller's exchange.
342 Buyer shall have no expense, fee or other obligations as a result of the Seller's
343 exchange and the Exchange Agreement.

344 **22. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL.** This
345 Contract constitutes the entire contract between the parties relating to the subject
346 hereof and any prior agreements pertaining thereto, whether oral or written, have been
347 merged and integrated into this Contract. No subsequent modification of any of the
348 terms of this Contract shall be valid or binding upon the parties or enforceable unless
349 made in writing and signed by the parties. Any obligation in this Contract which by its
350 terms is intended to be performed after termination or Closing shall survive the same.

351
352 **23. FACSIMILE.** Signatures may be evidenced by facsimile. Documents with
353 original signatures shall be provided to the other party at Closing or earlier upon request
354 of any party.

355
356 **24. NOTICE.** Except for the notice requesting mediation described in §18, any notice to
357 Buyer shall be effective when received by Buyer and any notice to Seller shall be effective when
358 received by Seller.

359
360 **25. NOTICE OF ACCEPTANCE; COUNTERPART.** This proposal shall expire unless
361 accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the
362 offering party receives notice of such acceptance pursuant to §24 on or before **Acceptance**
363 **Deadline Date** (§2d, Item No. 12) and **Acceptance Deadline Time** (§2d, Item No. 13). If
364 accepted, this document shall become a contract between Seller and Buyer, subject to
365 ratification by the Grand Junction City Council (§21 a.).

366
367 THE CITY OF GRAND JUNCTION, a Colorado home rule municipality, Buyer:

368
369
370 By: 
371 Laurie Kadrach, City Manager

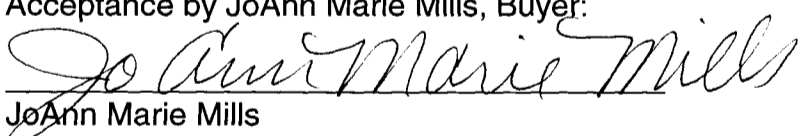
372
373 Date of Buyer's signature: October 28, 2008.

374
375 Buyer's Address: City Attorney, 250 North 5th Street, Grand Junction, CO 81501
376 With Copy to: City Real Estate Manager, 250 North 5th Street, Grand Junction, CO 81501

377
378 Buyer's Telephone Number: City Attorney: (970) 244-1506
379 City Real Estate Manager: (970) 244-1538

380
381 Buyer's Fax No.: City Attorney: (970) 244-1456
382 City Real Estate Manager: (970) 256-4022

383
384 **[NOTE: If this offer is being countered or rejected, do not sign this document.**
385 **Refer to § 26.]**

386
387 Acceptance by JoAnn Marie Mills, Buyer:
388 
389 JoAnn Marie Mills

390
391
392 Date of Seller's signature: 10/28/, 2008.

393
394 Seller's Address: 860 Chipeta Avenue, Grand Junction, CO 81501

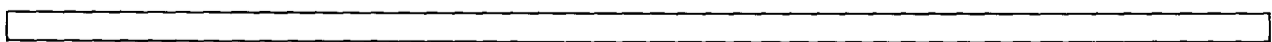
395
396 Seller's Telephone Number: (970) 241-2835

397
398 Seller's Fax No.: () SAME

399
400 **26. COUNTER; REJECTION.** This offer is **Countered** **Rejected.**

401
402 **Initials only of party (Buyer or Seller) who countered or rejected offer:** _____

403
404
405 **END OF CONTRACT**



ATTACHMENT "A"

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER'S PROPERTY DISCLOSURE

Seller states that the information contained in this Disclosure is correct to the best of Seller's CURRENT ACTUAL KNOWLEDGE as of this Date.

Date: 6/12/, 2008

Property Address: 310 South 7th Street, Grand Junction, CO 81501

Seller: JoAnn Marie Mills

Section 1 - Use, Access and Occupancy.

A. Please provide the Names, Telephone Numbers and Mailing Addresses of all **current** occupants or users of Property and indicate the date their occupancy or use began. Please indicate the type of use and if the use is for storage, please indicate the types of materials, items or equipment being stored:

(1). Current Occupant(s) or User(s):

a. Name: JOSH HAN Telephone: 640-2301
Mailing Address: 310 S 7TH GR. JCT. CO.
Date use or occupancy began: JAN 1 2008 - PRESENT
Type of use or occupancy: RENTAL

b. Name: _____ Telephone: _____
Mailing Address: _____
Date use or occupancy began: _____
Type of use or occupancy: _____

B. Please provide the Names, Telephone Numbers and Mailing Addresses of all **former** occupants or users of Property and indicate the dates their occupancy or use began and ended. Please indicate the type of use and if the use was for storage, please indicate the types of materials, items or equipment that were stored:

(1). Former Occupant(s) or User(s):

a. Name: JUDY McDONALD Telephone: 254-1058
Mailing Address: 3224 CHIPETA CT #2
Beginning & Ending Dates: 6/1/2005 - 12/31/2007
Type of use or occupancy: RENTAL

Section 1 (continued)

b. Name: JOSH & ALEXAS COX Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 3/1/05 - 6/1/05

Type of use or occupancy: RENTAL

c. Name: GIL & TERESA SIEBLER Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 1/1/05 - 2/29/05

Type of use or occupancy: RENTAL

d. Name: SAM KING Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 3/10/04 - 9/1/04

Type of use or occupancy: RENTAL

C. Please list of any encroachments, boundary disputes or unrecorded easements that affect the Property:

N/A

D. Please provide a list of any roads, driveways, trails, paths or utilities through the Property which are used by others:

N/A

E. Please provide a list of any known zoning or code violations occurring on or issued against the Property:

N/A

Section 2 – Water & Sewer.

A. Is the Property presently served by domestic (i.e. drinking) water?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	I don't know
-------------------------------------	-----	--------------------------	----	--------------------------	--------------

If yes, please indicate the source:

<input checked="" type="checkbox"/>	Public	<input type="checkbox"/>	Community	<input type="checkbox"/>	Well	<input type="checkbox"/>	Shared Well	<input type="checkbox"/>	Cistern	<input type="checkbox"/>	None	<input type="checkbox"/>	Other
-------------------------------------	--------	--------------------------	-----------	--------------------------	------	--------------------------	-------------	--------------------------	---------	--------------------------	------	--------------------------	-------

If the Property is served by a Public water system (i.e. City), please provide Buyer with copies of the most recently paid water bill.

If the Property is served by a Cistern, please provide Buyer with a sketch depicting the approximate size and location of the Cistern.

If the Property is served by a Well, please provide Buyer with a copy of the Well Permit.

If Other, please explain: _____

B. Are there any adjudicated water rights (i.e., river, ditch) associated with the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please provide Buyer with a list of the adjudicated water rights.

C. Is the Property presently served by a sanitary sewer system?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	I don't know
-------------------------------------	-----	--------------------------	----	--------------------------	--------------

If yes, please indicate the type of system:

<input checked="" type="checkbox"/>	Public	<input type="checkbox"/>	Septic System	<input type="checkbox"/>	None	<input type="checkbox"/>	Other
-------------------------------------	--------	--------------------------	---------------	--------------------------	------	--------------------------	-------

If the Property is served by a Public sewer system (i.e. City), please provide Buyer with copies of the most recently paid sewer bill.

If the Property is served by a Septic System, please provide the date when the septic tank was last serviced: _____.

If Other, please explain: _____

Section 3 – Environmental Matters.

A. To the best of your current actual knowledge, do any of the following conditions now exist or have they ever existed:

(1) Have electrical transformers, capacitors or other similar equipment ever been stored on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe types, quantities, when and where they were stored and by whom:

(2). Are there now any or have there ever been any underground or above-ground storage tanks on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe the type(s) of tank(s), when and where the tanks were located and the type(s) of substances stored:

(3). Are there now or have there even been any hazardous or toxic materials stored, spilled or deposited on the Property, such as radioactive materials, asbestos, pesticides, wastewater and other sludge, radon, methane, batteries or oil?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	I don't know
--------------------------	-----	--------------------------	----	-------------------------------------	--------------

If yes, please describe types, quantities and when and where they were stored, spilled or deposited:

(4). Have any Environmental assessments, studies or reports been prepared involving the physical condition of the Property?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	I don't know
--------------------------	-----	--------------------------	----	-------------------------------------	--------------

If yes, please describe:

(5). Has the Property ever been involved in an Environmental cleanup or remedial action?

<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	I don't know
--------------------------	-----	--------------------------	----	-------------------------------------	--------------

If yes, please describe:

(6). Have you ever noticed sliding, settling, upheaval, movement or instability of earth or expansive soils on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe:

(7). Are any drums or other containers presently located on the Property?

Yes No I don't know

If yes, please describe the types of containers and, if known, please describe the substances stored in the containers: _____

(8). Have storage or disposal pits ever been located on the Property?

Yes No I don't know

If yes, please describe the locations and types of materials placed in each: _____

(9). Has any fill material ever been placed on the Property?

Yes No I don't know

If yes, please describe the types and amounts of fill material and the locations the fill materials were placed: _____

Section 4 – Other Disclosures.

A. Please list any other matters regarding the physical characteristics of the Property of which the Buyer should be aware: _____

POSSIBLE - LEAD BASED PAINT.

ADVISORY TO SELLER:

- **Failure to disclose a known material defect may result in legal liability.**

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE. Any changes will be disclosed by Seller to Buyer promptly after discovery.



JoAnn Marie Mills Date

Buyer hereby acknowledges the receipt of this Disclosure:

Buyer Date

Ledger Card History Query (UAILEDG 2.2.1.5-2)(UTL)

Customer: 118278 HAN, JOSHUA Master Bill Number:
 Premises: 486 310 S 7TH ST Status: Active

Ledger History

Bill Date	Trans Date	Styp	Description	Tran Amt	Balance
05-JUN-2008	05-JUN-2008	RGAR	TRASH	11.95	91.32
05-JUN-2008	05-JUN-2008	SWR	201 SEWER FEE	14.61	79.37
05-JUN-2008	05-JUN-2008	RWTR	WATER	15.70	64.76
05-JUN-2008	27-MAY-2008	N/A	Payment CRED	45.46	49.06
05-JUN-2008	26-MAY-2008	N/A	TAG-DELINQUENT	5.00	94.52
08-MAY-2008	08-MAY-2008	RGAR	TRASH	11.95	89.52
08-MAY-2008	08-MAY-2008	SWR	201 SEWER FEE	14.61	77.57
08-MAY-2008	08-MAY-2008	RWTR	WATER	17.50	62.96
03-APR-2008	03-APR-2008	RGAR	TRASH	11.95	45.46
03-APR-2008	03-APR-2008	SWR	201 SEWER FEE	14.61	33.51

Beginning Balance as of 07-FEB-2008 .00

EnergyLink Payment Hist. CB Appl. Adj. Detail. Item Detail... Bill Detail. Quit

Printed Date: [Next Block] to view item detail. [CQUERY] to view bill detail.

Lead-Based Paint Disclosure (Rentals)

Attachment to Residential Lease or Rental Agreement for the Property known as:

310 S. 7th ST.
CITY GRAND JUNCTION, STATE COLO. ZIP 81501

WARNING! LEAD FROM PAINT, DUST, AND SOIL CAN BE DANGEROUS IF NOT MANAGED PROPERLY

Penalties for failure to comply with Federal Lead-Based Paint Disclosure Laws include treble (3 times) damages, attorney fees, costs, and a penalty up to \$10,000 for each violation.

Disclosure for Target Housing Rentals and Leases Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Tenants must also receive a federally approved pamphlet on lead poisoning prevention.

Landlord's Disclosure to Tenant and Real Estate Licensee(s)

(a) Landlord acknowledges that Landlord has been informed of Landlord's obligations. Landlord is aware that Landlord must retain a copy of this disclosure for not less than three years from the commencement of the leasing period.

(b) Presence of lead-based paint and/or lead-based paint hazards (check one box below):

- Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- Landlord has knowledge of lead-based paint and/or lead-based paint hazards are present in the housing (explain):

(c) Records and reports available to the Landlord (check one box below):

- Landlord has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.
- Landlord has provided the Tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

Tenant's Acknowledgment

- (d) Tenant has read the Lead Warning Statement above and understands its contents.
- (e) Tenant has received copies of all information, including any records and reports listed by Landlord above.
- (f) Tenant has received the pamphlet "Protect Your Family from Lead in Your Home."

Real Estate Licensee's Acknowledgment

Each real estate licensee signing below acknowledges receipt of the above Landlord's Disclosure, has informed the Landlord of Landlord's obligations and is aware of licensee's responsibility to ensure compliance.

Certification of Accuracy

I certify that the statements I have made are accurate to the best of my knowledge.

Landlord: [Signature] Date: 6/12/08 Tenant: _____ Date: _____
Landlord: _____ Date: _____ Tenant: _____ Date: _____
Real Estate Licensee (Listing): _____ Date: _____ Real Estate Licensee (Leasing): _____ Date: _____

WARRANTY DEED

JoAnn Marie Mills, Grantor, whose address is 860 Chipeta Avenue, Grand Junction, CO 81501, for and in consideration of the sum of **One Hundred Sixty-Seven Thousand and 00/100 Dollars (\$167,000.00)**, the receipt and sufficiency of which is hereby acknowledged, has sold, granted and conveyed, and by these presents does hereby sell, grant and convey to **The City of Grand Junction, a Colorado home rule municipality, Grantee**, whose address is 250 North 5th Street, Grand Junction, Colorado 81501, its successors and assigns forever, the following described real property in the County of Mesa, State of Colorado, to wit:

The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;
Together with a right of way for sewer and water main across the East 45 feet of said lots;
And also together with a right of way as now constructed across Lots 9 and 10 in Block 137 for any necessary purposes.

Commonly known as 310 South 7th Street, Grand Junction, CO 81501.

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereunto belonging or in anywise appertaining, unto the said Grantee and unto its successors and assigns forever, the said Grantor hereby covenants that she will warrant and defend the title to said premises unto the said Grantee and unto its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

Executed and delivered this _____ day of _____, 2008.

JoAnn Marie Mills

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2008, by JoAnn Marie Mills.

My commission expires: _____.

Witness my hand and official seal.

Notary Public

**OPTION AGREEMENT FOR THE SALE
AND PURCHASE OF REAL PROPERTY**

This Option Agreement ("Agreement") is made and entered into this 15TH day of JULY 2008, by and between **JoAnn Marie Mills**, hereinafter referred to as "**Mills**", and the **CITY OF GRAND JUNCTION**, a Colorado home rule municipality, hereinafter referred to as "the City".

Recitals

A. Mills represents that she is the owner, of that certain real property situated in Mesa County, Colorado, consisting of one parcel of land as more particularly described in **Exhibit "A"** attached hereto and incorporated herein by reference. Said real property, together with any and all interests, easements, rights, benefits, improvements, fixtures, access rights, minerals and mineral rights, ditches and ditch rights, water and water rights, if any, which are situated thereon or appurtenant thereto shall be referred to in this Agreement as "the Property".

B. Mills agrees to sell the Property to the City and the City agrees to purchase the Property from Mills pursuant to the terms, covenants and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mills and the City hereby covenant and agree as follows:

1. **Grant of Option.** For and inconsideration of the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) ("Option Fee") paid by the City to Mills, the receipt and sufficiency of which is hereby acknowledged, Mills hereby grants and conveys to the City the sole, exclusive and irrevocable right and option to purchase the Property ("the Option") in accordance with the terms and conditions of this Agreement. Said sum of money shall be non-refundable; provided, however, that in the event the sale and purchase of the Property between the parties is completed as herein set forth, Option Fee shall be applied to and deducted from the Purchase Price at Closing.

2. **Term of the Option.** The term of the Option hereby granted shall commence on the day and year first above written and shall expire and terminate at 5:00 p.m., Grand Junction time, on March 31, 2009 ("Option Term").

3. **Purchase Price and Terms.** The purchase price to be paid for the Property will be determined by an independent appraisal to be paid by the City. The City will commission the services of an accredited, certified MAI appraiser licensed by the State of Colorado and will instruct the appraiser to inspect the Property and provide a professional opinion of the current fair market value of the Property using the two commonly accepted approaches to values: income approach and market comparison (comparable sales). The City agrees to provide Mills with a complete copy of the appraisal within seven (7) days of the City's receipt of the appraisal. Mills will, within three (3) days of Mills' receipt of the appraisal, inform the City if she agrees or disagrees with the appraiser's professional opinion of the current fair market value of the Property. If Mills agrees with appraiser's opinion of the current fair market value of the Property, said value shall be the purchase price of said Property. The Purchase Price may, by mutual agreement of the Parties, be negotiated down for such things as Donation of Some or all of the Value for the Property, credits for Possession in Lieu of Rent or other agreed upon reductions in the Purchase Price. If Mills disagrees with the appraiser's opinion of value Mills will, within seven (7) days of Mills' receipt of the appraisal, commission the services of a certified MAI appraiser licensed by the State of Colorado, at Mills' expense, to prepare a second appraisal. Mills agrees to provide the City with a complete copy of the second appraisal within seven (7) days of Mills' receipt of said appraisal. If the values stated in the City's appraisal and Mills appraisal are within fifteen percent (15%) of the total value of the Property, then the Purchase Price to be paid for the Property will be an exact average of the two appraised values. If the values stated in the City's appraisal and Mills appraisal are more than fifteen percent (15%) different, the two appraisers will mutually agree on and hire a third certified Colorado MAI appraiser who will independently review the two appraisals and determine his/her opinion of the current fair market value of the Property, which amount shall be the Purchase Price for the Property. Expenses for the services of the third appraiser will be shared equally between the City and Mills.

4. **Exercise of Option.** The parties agree that the City may exercise the Option at any time during the Option Term by delivering written notice to Mills of the City's intention to exercise the Option ("Notice to Exercise"). In the event the City fails to exercise its exclusive right and option to purchase the Property during the Option Term, Mills shall be entitled to retain the Option Fee and this Agreement shall become null and void and neither party shall have any other rights, liabilities, obligations or duties hereunder or pursuant to this Agreement.
5. **Memorandum of Option.** Concurrent with the execution of this Agreement, the parties shall execute a Memorandum of Option substantially in the form provided in **Exhibit "B"** attached hereto and incorporated herein by reference as if fully set forth. The City may, at the expense of the City, record the executed Memorandum in the office of the Mesa County Clerk and Recorder.
6. **Inspection.** During the Option Term the City shall have the right, during reasonable times and after giving reasonable notice to Mills to conduct inspections of the physical condition of the Property ("Inspections"). The Inspections may include, but not be limited to, boundary surveys, topographic surveys, engineering surveys, soils, surveys, groundwater surveys and environmental surveys. The City shall be responsible for the costs and payment of all Inspections and shall pay for any unreasonable damage which occurs to the Property as a result of such activities. The City shall not permit claims or liens of any kind against the Property arising from work performed for such Inspections.
7. **Mills' Disclosures.** On or before ten (10) days following the date first above written, Mills shall complete and return to the City Mills' **Property Disclosure** attached hereto as **Exhibit "C"** and incorporated herein by reference.
8. **Contract to Buy & Sell Real Estate.** In the event the City exercises its exclusive right and option to purchase the Property pursuant to paragraph 3 above, Mills agrees to sell the Property to the City and the City agrees to purchase the Property from Mills. Both parties agree to execute and enter into a contract for such sale and purchase in accordance with and substantially in the form of the Contract to Buy & Sell Real Estate attached hereto as **Exhibit "D"** and incorporated herein by this reference as if fully set forth.
9. **Mills' Promise Not to Further Encumber.** During the Option Term Mills shall not do any of the following without the prior written consent of the City.
 - a. make or permit to be made, extend or permit to be extended, any leases, contracts, options or agreements affecting the Property; provided, however, that Mills shall have the right to market the Property for sale to alternative private buyers. If Mills accepts a written offer from a third party during the Option Term, Mills shall provide to the City written notice of such offer. Any offer accepted by Mills during the Option Term shall be deemed a "back-up" offer and shall only become effective if at all upon expiration of the Option Term or in the event the City terminates this Agreement as herein provided; or
 - b. cause or permit any mortgage, deed of trust or other lien to be foreclosed upon, including failure to make a required payment or failure to obtain any required consent.
10. **Early Termination.** The City may, at any time during the Option Term, terminate this agreement and relinquish the City's sole and exclusive right and option to purchase the Property by giving written notice to Mills of the City's determination to terminate. In such event, all payments and things of value received hereunder shall be forfeited by the City and retained on behalf of Mills and both parties shall thereafter be released from all obligations hereunder. In the event of early termination, the City shall execute and record a Release of the recorded Memorandum of Option, if any, to eliminate any cloud on Mills title to the Property.
11. **No Fees or Commissions.** Each party represents to the other that it has not used a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. Each party agrees to defend, indemnify and hold the other party harmless from any claim for real estate brokerage commissions or finder's fees asserted by any other party claiming to be entitled to brokerage commissions or finder's fees arising out of this Agreement.
12. **Notices.** All notices to be given with respect to this Agreement shall be in writing delivered either by United States mail or Express mail, postage prepaid, by facsimile transmission, personally by hand or courier service, as follows:

To the City:

City of Grand Junction
Attn: Real Estate Manager
250 North 5th Street
Grand Junction, CO 81501
Fax: (970) 256-4022

With Copy To:

City of Grand Junction
Attn: City Attorney
250 North 5th Street
Grand Junction, CO 81501
Fax: (970) 244-1456

To Mills:

JoAnn Mills
860 Chipeta Avenue
Grand Junction, CO 81501
Fax: (970) 241 - 2835 (call 1st)

13. **Binding Effect; Assignability.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and upon their respective heirs, successors and assigns and shall, during the Option Term, be assignable by the City, in whole or in part, without Mills prior approval being required.

14. **Legal Counsel / Interpretation.** Each party has obtained the advice of its own legal and tax counsel or has knowingly declined to do so, therefore, the rule of construing ambiguities against the drafter shall have no application to this Agreement.

15. **Representations.**

a. Mills warrants and represents to the City that she is well seized in the Property and that no other party possesses a contractual interest, including, but not limited to, a purchase contract, option or right of first refusal to purchase the Property or any interest thereof.

b. The City warrants and represents to Mills that the City Manager of the City possesses the authority to execute this Agreement on behalf of the City, the authority to authorize the expenditure of the Option Fee as set forth in paragraph 1 and the authority to contract and pay for fees and services necessary to complete the City's inspection of the Property as set forth in paragraph 6.

END OF PAGE

Executed and delivered as of the day and year first above written.

Attest:

Stephanie Tuin
Stephanie Tuin, City Clerk



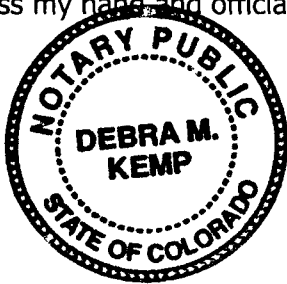
For the City of Grand Junction,
a Colorado home rule municipality

Laurie Kadrich
Laurie Kadrich, City Manager

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this 15th day of July, 2008, by Laurie Kadrich as City Manager and attested to by Stephanie Tuin as City Clerk of the City of Grand Junction, a Colorado home rule municipality.

My commission expires: 3/13/09
Witness my hand and official seal.



Debra M. Kemp
Notary Public

JoAnn Marie Mills
JoAnn Marie Mills

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this 15TH day of July, 2008, JoAnn Marie Mills.

My commission expires: 3.3.09
Witness my hand and official seal.



My Commission Expires 03/03/2009

Peggy Hunter
Notary Public

EXHIBIT "A"

Legal Description of Property:

The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;

Together with a right of way for sewer and water main across the East 45 feet of said lots;

And also together with a right of way as now constructed across Lots 9 and 10 in Block 137 for any necessary purposes.

Also known as 310 South 7th Street, Grand Junction, CO 81501.

END OF EXHIBIT "A"

EXHIBIT "B"

Memorandum of Option

This is the Memorandum of that certain unrecorded Option Agreement for the Sale and Purchase of Real Property dated the 15th day of July, 2008, between Joann Marie Mills ("Mills") and the City of Grand Junction, a Colorado home rule municipality ("the City"), concerning the following described real property in the County of Mesa, State of Colorado, to wit:

Address: 310 South 7th Street

Tax Schedule No.: 2945-144-32-012

Legal Description: The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;

Together with a right of way for sewer and water main across the East 45 feet of said lots;

And also together with a right of way as now constructed across Lots 9 and 10 in Block 137 for any necessary purposes.

Commonly known as 310 South 7th Street, Grand Junction, CO 81501.

Mills has granted to the City the sole, exclusive and irrevocable right and option to purchase the described Property. The term of the City's option to purchase said Property began on July 15th, 2008 and expires on March 31, 2009.

This Memorandum is not a complete summary of the Option Agreement. Provisions in this Memorandum shall not be used in interpreting the provisions of the Option Agreement. In the event of conflict between this Memorandum and the unrecorded Option Agreement, the unrecorded Option Agreement shall control.

In witness whereof, the parties to this Memorandum and the unrecorded Option Agreement have caused it to be executed in Grand Junction, Colorado, as of the 15th day of July, 2008

Attest:



For the City of Grand Junction,
a Colorado home rule municipality

Stephanie Tuin
Stephanie Tuin, City Clerk

Laurie Kadrach
Laurie Kadrach, City Manager

JoAnn Marie Mills
JoAnn Marie Mills

Contract to Buy & Sell Real Estate

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

Date: _____, 2008

1. AGREEMENT. Buyer agrees to buy and the undersigned Seller agrees to sell the Property defined below on the terms and conditions set forth in this Contract.

2. DEFINED TERMS.

a. Buyer. Buyer will take title to the real property described below as **The City of Grand Junction, a Colorado home rule municipality.**

b. Seller. **JoAnn Marie Mills.**

c. Property. The Property is the following legally described real estate:

2945-144-32-012: The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;

Together with a right of way for sewer and water main across the East 45 feet of said lots;

And also together with a right of way as now constructed across Lots 9 and 10 in Block 137 for any necessary purposes.

Commonly known as 310 South 7th Street, Grand Junction, CO 81501.

Each of the foregoing Parcels shall be conveyed to Buyer together with all of the interests, easements, rights, benefits and privileges appurtenant thereto.

d. Dates and Deadlines.

Item No.	Reference	Event	Date or Deadline
1	§5	Title Deadline	TBD
2	§6a.	Title Objection Deadline	TBD
3	§6b.	Off-Record Matters Deadline	TBD
4	§6b.	Off-Record Matters Objection Deadline	TBD
5	§7	Seller's Property Disclosure Deadline	TBD
6	§7b.	Inspection Objection Deadline	TBD
7	§7c.	Resolution Deadline	TBD
8	§21b.	City Council Ratification Deadline	TBD
9	§8	Closing Date	TBD
10	§13	Possession Date	TBD
11	§13	Possession Time	TBD
12	§25	Acceptance Deadline Date	TBD
13	§25	Acceptance Deadline Time	TBD

e. Attachments. The following exhibits, attachments and addenda are a part of this contract: **Attachment "A": Seller's Property Disclosure and Attachment "B": Warranty Deed**

f. Applicability of Terms. A check or similar mark in a box means that such provision is applicable. The abbreviation "N/A" means not applicable.

3. INCLUSIONS AND EXCLUSIONS.

a. The purchase price includes the following items ("Inclusions"):

(1) Fixtures. None.

45 **b. Instruments of Transfer.** The Inclusions are to be conveyed at Closing
46 free and clear of all taxes, liens and encumbrances.

47
48 **c. Exclusions.** The following attached fixtures are excluded from this sale:
49 **N/A**

50
51 **4. PURCHASE PRICE AND TERMS.** The Purchase Price set forth below shall be
52 payable in U.S. Dollars by Buyer as follows:
53

Item No.	Reference	Item	Amount	Amount
1	§ 4	Purchase Price	\$ TBD	
2	§ 4a	Earnest Money		\$ 10,000.00
3	§ 4b	Cash at Closing		\$ TBD
4		Option Fee	\$ TBD	\$ 10,000.00
5		TOTAL	\$ TBD	\$ TBD

54
55
56 **a. Earnest Money.** The Earnest Money set forth in this Section, in the form
57 of Buyer's check, is part payment of the Purchase Price and shall be payable to
58 and held by **Abstract & Title Company of Mesa County Inc.** ("Closing
59 Company"), in its trust account, on behalf of both Seller and Buyer. The parties
60 authorize delivery of the Earnest Money to the Closing Company at or before
61 closing
62

63 **b. Cash at Closing.** All amounts paid by Buyer at Closing including Cash at
64 Closing, plus Buyer's closing costs, shall be in funds which comply with all
65 applicable Colorado laws, which include Buyer's check, cash, electronic transfer
66 funds, certified check, savings and loan teller's check and cashier's check ("Good
67 Funds").
68

69 **5. EVIDENCE OF TITLE.** On or before **Title Deadline** (§2d, Item 1), Seller shall
70 cause to be furnished to Buyer's City Attorney with a copy to Buyer's City Real Estate
71 Manager, at Seller's expense, a current commitment for owner's title insurance policy
72 ("Title Commitment") in an amount equal to the Purchase Price, together with true and
73 legible copies of all instruments referred to therein, including, but not limited to, true and
74 legible copies of any plats, declarations, covenants, conditions and restrictions
75 describing, affecting or burdening the Property and true and legible copies of any other
76 documents listed in the schedule of exceptions ("Exceptions"). Seller shall have the
77 obligation to furnish the documents pursuant to this subsection without any request or
78 demand by Buyer. The Title Commitment together with copies of such documents
79 furnished pursuant to this Section shall constitute the title documents ("Title
80 Documents"). The Title Commitment shall commit to delete or insure over the standard
81 exceptions which relate to:
82

- 83 **(1)** parties in possession,
- 84 **(2)** unrecorded easements,
- 85 **(3)** survey matters
- 86 **(4)** any unrecorded mechanics' liens,
- 87 **(5)** unpaid taxes, assessments and unredeemed tax sales prior to year of
88 Closing, and
- 89 **(6)** gap period (effective date of the Title Commitment to the date the deed is
90 recorded).

91
92 Any additional premium expense to obtain this additional coverage shall be paid
93 by Seller. Seller shall cause the title insurance policy to be delivered to Buyer as soon
94 as practicable, at or after Closing.
95
96
97

98 **6. TITLE.**

99
100 **a. Title Review.** Buyer shall have the right to inspect the Title Documents.
101 Written notice by Buyer to Seller of unmerchantability of title or of any other
102 unsatisfactory condition shown by the Title Documents shall be signed by or on
103 behalf of Buyer and given to Seller on or before the **Title Objection Deadline**
104 (§2d, Item 2), or within five (5) business days after receipt by Buyer of any Title
105 Document(s) or endorsement(s) adding new Exception(s) to the Title
106 Commitment together with a copy of the Title Document(s) adding new
107 Exception(s) to title, whichever is later. If Buyer does not mail its notice by the
108 date(s) specified above, Buyer shall be deemed to have accepted as satisfactory
109 the condition of title as disclosed by the Title Documents.
110

111 **b. Matters not Shown by the Public Records.** Seller shall deliver to Buyer,
112 on or before the **Off-Record Matters Deadline** (§2d, Item 3), true copies of all
113 lease(s) and survey(s) in Seller's possession pertaining to the Property and shall
114 disclose to Buyer all easements, liens or other title matters not shown by the
115 public records of which Seller has actual knowledge. Buyer shall have the right
116 to inspect the Property to determine if any third party(ies) has any right in the
117 Property not shown by the public records (such as an unrecorded easement,
118 unrecorded lease, or boundary line discrepancy). Written notice of any
119 unsatisfactory condition(s) disclosed by Seller or revealed by such inspection
120 shall be signed by or on behalf of Buyer and mailed to Seller on or before the
121 **Off-Record Matters Objection Deadline** (§2d, Item 4). If Buyer does not mail
122 Buyer's notice by said date, Buyer accepts title subject to such rights, if any, of
123 third parties of which Buyer has actual knowledge.
124

125 **c. Right to Cure.** If Seller receives notice of unmerchantability of title or any
126 other unsatisfactory title condition(s) or commitment terms as provided in §6a or
127 §6b above, Seller shall use reasonable efforts to correct said items and bear any
128 nominal expenses to correct the same prior to Closing. If such unsatisfactory title
129 condition(s) are not corrected on or before Closing, this contract shall then
130 terminate; provided, however, Buyer may, by written notice given to Seller, on or
131 before Closing, waive objection to such items.
132

133 **7. PROPERTY DISCLOSURE AND INSPECTION.** On or before **Seller's Property**
134 **Disclosure Deadline** (§2d, Item 5), Seller shall complete and return to Buyer the
135 attached **Seller's Property Disclosure (Attachment "A")**, providing a written
136 disclosure of adverse matters regarding the Property completed by Seller to the best of
137 Seller's current actual knowledge.
138

139 **a. Inspection.** Buyer shall have the right, at Buyer's expense, to conduct
140 inspections of the physical condition of the Property and Inclusions
141 ("Inspections"); prior to closing. The Inspections may include, but not be limited
142 to, boundary surveys, engineering surveys, soils samples and surveys and
143 environmental surveys. Buyer is responsible for payment of all inspections,
144 surveys, engineering reports, environmental reports or for any other work
145 performed at Buyer's request and shall pay for any damage which occurs to the
146 Property and Inclusions as a result of such activities if Closing does not occur as
147 provided herein. If Buyer does not close as provided for herein, Buyer shall not
148 permit claims or liens of any kind against the Property for inspections, surveys,
149 engineering reports, environmental reports and for any other work performed on
150 the Property at Buyer's request. The provisions of this subsection shall survive
151 the termination of this Contract.
152

153 **b. Inspection Objection Deadline.** If the physical condition of the Property
154 or Inclusions is unsatisfactory as determined by Buyer's sole and subjective
155 discretion, Buyer shall, on or before the **Inspection Objection Deadline** (§2d,
156 Item 6), either:
157

158 (1) notify Seller in writing that this Contract is terminated, in which case all
159 payments and things of value received hereunder shall be returned to
160 Buyer, or

161
162 (2) provide Seller with a written description of any unsatisfactory physical
163 condition(s) which Buyer requires Seller to correct at no cost or expense
164 to Buyer ("Notice to Correct"), on or before the **Resolution Deadline** (§2d,
165 Item 7).

166
167 If written notice is not mailed to Seller on or before the **Inspection**
168 **Objection Deadline** (§2d, Item 6), the physical condition of the Property
169 and Inclusions shall be deemed to be satisfactory to Buyer.

170
171 **c. Resolution Deadline.** If a Notice to Correct is timely mailed to Seller and
172 if Buyer and Seller have not agreed in writing to a settlement thereof on or before
173 the **Resolution Deadline** (§2d, Item 7) excluding the post-closing inspection(s);
174 this Contract shall terminate and all payments and things of value received
175 hereunder shall be returned to Buyer, unless before such termination Seller
176 receives Buyer's written withdrawal of the Notice to Correct.

177
178 **8. CLOSING.** Delivery of deed from Seller to Buyer shall be on the date specified
179 as the **Closing Date** (§2d, Item 9) or by mutual agreement at an earlier date ("Closing").
180 The hour and place of Closing shall be as designated by mutual agreement between
181 Seller and Buyer at Abstract & Title Company of Mesa County, Inc.

182
183 **9. TRANSFER OF TITLE.** Subject to tender or payment at Closing as required
184 herein and compliance by Buyer with the other terms and provisions hereof, Seller shall
185 execute and deliver a good and sufficient General Warranty Deed to Buyer
186 (**Attachment "B"**), at Closing, conveying the Property free and clear of all taxes except
187 the general taxes for the year of Closing, all leases, all tenancies and all leasehold
188 interests. Except as provided herein, title shall be conveyed free and clear of all liens,
189 including any governmental liens for special improvements installed as of the date of
190 Buyer's signature hereon, whether assessed or not. Title shall be conveyed subject to:

191
192 **a.** those specific Exceptions described by reference to recorded documents
193 as reflected in the Title Documents accepted by Buyer in accordance with §6a
194 [Title Review];

195
196 **b.** those specifically described rights of third parties not shown by the public
197 records of which Buyer has actual knowledge and which were accepted by Buyer
198 in accordance with §6b [Matters not Shown by the Public Records]; and

199
200 **c.** no others.

201
202 **10. PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall
203 be paid at or before Closing from the proceeds of this transaction or from any other
204 source.

205
206 **11. CLOSING COSTS; DOCUMENTS AND SERVICES.** Buyer and Seller shall pay,
207 in Good Funds, their respective Closing costs and all other items required to be paid at
208 Closing, except as otherwise provided herein. Buyer and Seller shall sign and complete
209 all customary or reasonably required documents at or before Closing. Fees for real
210 estate closing services shall be paid at Closing by One-Half by Buyer and One-Half by
211 Seller. Any sales and use tax that may accrue because of this transaction shall be paid
212 when due by Seller.

213
214 **12. PRORATIONS.** The following shall be prorated to the **Closing Date** (§2d, Item
215 9), except as otherwise provided:

216
217 **a. Personal Property Taxes.** Personal property taxes, if any, shall be paid
218 by Seller;

219

220 **b. General Real Estate Taxes.** General real estate taxes shall be prorated
221 to the Closing Date based on the most recent mill levy and the most recent
222 assessment;
223

224 **c. Utilities and Other Services.** Seller shall pay for all fees and charges for
225 all utilities and services which have accrued as of the Closing Date. Buyer shall
226 be responsible for all utilities fees and services which accrue thereafter.
227

228 **d. Final Settlement.** Unless otherwise agreed in writing, these prorations
229 shall be final.
230

231 **13. POSSESSION.** Possession of the Property shall be delivered to Buyer on
232 **Possession Date** (§2d, Item 10) and **Possession Time** (§2d, Item 11), free and clear
233 of any and all leases and tenancies. If Seller, after Closing, fails to deliver possession
234 as specified Seller shall be subject to eviction and shall be additionally liable to Buyer
235 for payment of \$100.00 per day from the Possession Date until possession is delivered.
236

237 **14. NOT ASSIGNABLE.** This Contract shall not be assignable by Buyer without
238 Seller's prior written consent. Except as so restricted, this Contract shall inure to the
239 benefit of and be binding upon the heirs, personal representatives, successors and
240 assigns of both parties.
241

242 **15. CONDITION OF AND DAMAGE TO THE PROPERTY AND INCLUSIONS.**
243 Except as otherwise provided in this Contract, both the Property and the Inclusions shall
244 be delivered in the condition existing as of the date of this Contract, ordinary wear and
245 tear excepted.
246

247 **16. LEGAL AND TAX COUNSEL; AMBIGUITIES.** (a) Buyer and Seller have each
248 obtained the advise of its/their own legal and tax counsel regarding this Contract or has
249 knowingly declined to do so. (b) The parties agree that the rule of construing
250 ambiguities against the drafter shall have no application to this Contract.
251

252 **17. TIME OF THE ESSENCE/REMEDIES.** Time is of the essence hereof. If any
253 note or check received as Earnest Money hereunder or any other payment due
254 hereunder is not paid, honored or tendered when due, or if any other obligation
255 hereunder is not performed or waived as herein provided, there shall be the following
256 remedies:
257

258 **a. If Buyer is in Default,** the Earnest Money shall be paid to Seller and both
259 parties shall thereafter be released from all obligations hereunder, except for the
260 duties created by §7a. It is agreed that the Earnest Money is LIQUIDATED
261 DAMAGES and is SELLER'S SOLE AND ONLY REMEDY for Buyer's failure to
262 perform the obligations of this Contract. Seller expressly waives the remedies of
263 specific performance and additional damages.
264

265 **b. If Seller is in Default,** Buyer may elect to treat this Contract as canceled
266 in which case all payments and things of value received hereunder shall be
267 returned to Buyer and Buyer may: either recover such damages as may be
268 proper, or Buyer may elect to treat this Contract as being in full force and effect
269 and Buyer shall have the right to specific performance of damages, or both.
270

271 **c. Costs and Expenses.** In the event of any arbitration or litigation relating
272 to this Contract, each party shall share the costs of such arbitrator but otherwise
273 all reasonable costs and expenses, including reasonable attorney fees, shall be
274 paid by each respective party.
275

276 **18. MEDIATION.** If a dispute arises relating to this Contract, prior to or after Closing,
277 and is not resolved, the parties shall first proceed in good faith to submit the matter to
278 mediation. Mediation is a process in which the parties meet with an impartial person
279 who helps to resolve the dispute informally and confidentially. Mediators cannot impose
280 binding decisions. The parties to the dispute must agree before any settlement is
281 binding. The parties will jointly appoint an acceptable mediator and will share equally in

282 the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in
283 the event the entire dispute is not resolved thirty (30) calendar days from the date
284 written notice requesting mediation is sent by one party to the other. This section shall
285 not alter any date in this Contract, unless otherwise agreed in writing.

286
287 **19. EARNEST MONEY DISPUTE.** Notwithstanding any termination of this Contract,
288 Buyer and Seller agree that, in the event of any controversy regarding the Earnest
289 Money and things of value held by Closing Agent (unless mutual written instructions are
290 received by the holder of the Earnest Money and things of value), Closing Agent shall
291 not be required to take any action but may await any proceeding, or at Closing Agent's
292 option and sole discretion, may interplead all parties and deposit any moneys or things
293 of value into the District Court of Mesa County, Colorado.

294
295 **20. TERMINATION.** In the event this Contract is terminated, all payments and things
296 of value received hereunder shall be returned and the parties shall be relieved of all
297 obligations hereunder, subject to §7a (Inspection Costs), §17b (If Seller is in Default),
298 §18 (Mediation), and §19 (Earnest Money Dispute).

299
300 **21. ADDITIONAL PROVISIONS.**
301
302 **a. Purchase in Lieu of Condemnation.** Buyer is a governmental authority
303 and has determined that the purchase of the Property is necessary for the health,
304 safety and welfare of the inhabitants of the City of Grand Junction; therefore,
305 Buyer has the authority, pursuant to the laws of the State of Colorado, to acquire
306 the Property through condemnation proceedings by exercising its power of
307 eminent domain. Notwithstanding the preceding statements, Buyer desires to
308 purchase the subject property through friendly negotiations and thereby avoid
309 condemnation proceedings.

310
311 **b. City Council Consent.** The execution of this Contract by the City
312 Manager of the City of Grand Junction and Buyer's obligation to proceed under
313 its terms and conditions is expressly conditioned upon and subject to the formal
314 ratification, confirmation and consent of the Grand Junction City Council with
315 regards to: (1) the terms, covenants, conditions, duties and obligations to be
316 performed by Buyer in accordance with this Contract, and (2) the allocation of
317 funds to pay the Purchase Price and all other costs and expenses necessary to
318 perform Buyer's due diligence inspections of the Property. In the event such
319 ratification, confirmation and consent is not obtained on or before the **City**
320 **Council Ratification Deadline** (§2d, Item 8), this Contract shall automatically
321 terminate, both parties shall thereafter be released from all obligations hereunder
322 and the Earnest Money received hereunder shall be returned to Buyer.

323
324 **c. No Fees or Commissions.** Buyer and Seller each warrant that no person
325 or selling agency has been employed or retained to solicit or secure this Contract upon
326 any agreement or understanding for a commission, percentage, brokerage or contingent
327 fee. Each party agrees to defend, indemnify and hold the other party harmless from any
328 claim for real estate brokerage commissions or finder's fees arising out of this Contract.

329
330 **d. Instrument of Transfer.** Buyer and Seller each agree that title to the
331 Property will be conveyed from Seller to Buyer in the exact form of the General
332 Warranty Deed attached hereto as **Attachment "B"** and incorporated herein by
333 reference.

334
335 **e. Replacement Property.** This contract is for the acquisition by the Seller
336 of "replacement property" pursuant to Section 1031 of the Internal Revenue Code.
337 Buyer agrees to cooperate with Seller in such exchange and to sign and deliver to
338 Seller any and all documents reasonably required to complete Seller's exchange.
339 Buyer shall have no expense, fee or other obligations as a result of the Seller's
340 exchange and the Exchange Agreement.

341
342 **22. ENTIRE AGREEMENT; SUBSEQUENT MODIFICATION; SURVIVAL.** This
343 Contract constitutes the entire contract between the parties relating to the subject

344 hereof and any prior agreements pertaining thereto, whether oral or written, have been
345 merged and integrated into this Contract. No subsequent modification of any of the
346 terms of this Contract shall be valid or binding upon the parties or enforceable unless
347 made in writing and signed by the parties. Any obligation in this Contract which by its
348 terms is intended to be performed after termination or Closing shall survive the same.
349

350 **23. FACSIMILE.** Signatures may be evidenced by facsimile. Documents with
351 original signatures shall be provided to the other party at Closing or earlier upon request
352 of any party.
353

354 **24. NOTICE.** Except for the notice requesting mediation described in §18, any notice to
355 Buyer shall be effective when received by Buyer and any notice to Seller shall be effective when
356 received by Seller.
357

358 **25. NOTICE OF ACCEPTANCE; COUNTERPART.** This proposal shall expire unless
359 accepted in writing, by Buyer and Seller, as evidenced by their signatures below, and the
360 offering party receives notice of such acceptance pursuant to §24 on or before **Acceptance**
361 **Deadline Date** (§2d, Item No. 12) and **Acceptance Deadline Time** (§2d, Item No. 13). If
362 accepted, this document shall become a contract between Seller and Buyer, subject to
363 ratification by the Grand Junction City Council (§21 a.).
364

365 THE CITY OF GRAND JUNCTION, a Colorado home rule municipality, Buyer:

366
367

368 By: _____
369 Laurie Kadrach, City Manager

370
371

Date of Buyer's signature: _____, 2008.

372
373

Buyer's Address: City Attorney, 250 North 5th Street, Grand Junction, CO 81501
374 With Copy to: City Real Estate Manager, 250 North 5th Street, Grand Junction, CO 81501
375

376
377

Buyer's Telephone Number: City Attorney: (970) 244-1506
City Real Estate Manager: (970) 244-1538

378
379

Buyer's Fax No.: City Attorney: (970) 244-1456
City Real Estate Manager: (970) 256-4022

380
381
382

**[NOTE: If this offer is being countered or rejected, do not sign this document.
Refer to § 26.]**

383
384
385

Acceptance by JoAnn Marie Mills, Buyer:

386
387
388

JoAnn Marie Mills

389
390

Date of Seller's signature: _____, 2008.

391
392

Seller's Address: 860 Chipeta Avenue, Grand Junction, CO 81501

393
394

Seller's Telephone Number: (970) 241-2835

395
396

Seller's Fax No.: () _____

397
398
399

26. COUNTER; REJECTION. This offer is **Countered** **Rejected.**

400
401

Initials only of party (Buyer or Seller) who countered or rejected offer: _____

402
403
404

END OF CONTRACT

405
406

ATTACHMENT "A"

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER'S PROPERTY DISCLOSURE

Seller states that the information contained in this Disclosure is correct to the best of Seller's CURRENT ACTUAL KNOWLEDGE as of this Date.

Date: 6/12/, 2008

Property Address: 310 South 7th Street, Grand Junction, CO 81501

Seller: JoAnn Marie Mills

Section 1 – Use, Access and Occupancy.

A. Please provide the Names, Telephone Numbers and Mailing Addresses of all **current** occupants or users of Property and indicate the date their occupancy or use began. Please indicate the type of use and if the use is for storage, please indicate the types of materials, items or equipment being stored:

(1). Current Occupant(s) or User(s):

a. Name: JOSH HAN Telephone: 640-2301
Mailing Address: 310 S 7TH GR. JCT. CO.
Date use or occupancy began: JAN 1 2008 - PRESENT
Type of use or occupancy: RENTAL

b. Name: _____ Telephone: _____
Mailing Address: _____
Date use or occupancy began: _____
Type of use or occupancy: _____

B. Please provide the Names, Telephone Numbers and Mailing Addresses of all **former** occupants or users of Property and indicate the dates their occupancy or use began and ended. Please indicate the type of use and if the use was for storage, please indicate the types of materials, items or equipment that were stored:

(1). Former Occupant(s) or User(s):

a. Name: JUDY MCDONALD Telephone: 254-1058
Mailing Address: 3224 CHIPETA CT #2
Beginning & Ending Dates: 6/1/2005 - 12/31/2007
Type of use or occupancy: RENTAL

Section 1 (continued)

b. Name: JOSH & ALEXAS COX Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 3/1/05 - 6/1/05

Type of use or occupancy: RENTAL

c. Name: GIL & TERESA SIEBLER Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 1/1/05 - 2/29/05

Type of use or occupancy: RENTAL

d. Name: SAM KING Telephone: ?

Mailing Address: ?

Beginning & Ending Dates: 3/10/04 - 9/1/04

Type of use or occupancy: RENTAL

C. Please list of any encroachments, boundary disputes or unrecorded easements that affect the Property:

N/A

D. Please provide a list of any roads, driveways, trails, paths or utilities through the Property which are used by others:

N/A

E. Please provide a list of any known zoning or code violations occurring on or issued against the Property:

N/A

Section 2 – Water & Sewer.

A. Is the Property presently served by domestic (i.e. drinking) water?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	I don't know
-------------------------------------	-----	--------------------------	----	--------------------------	--------------

If yes, please indicate the source:

<input checked="" type="checkbox"/>	Public	<input type="checkbox"/>	Community	<input type="checkbox"/>	Well	<input type="checkbox"/>	Shared Well	<input type="checkbox"/>	Cistern	<input type="checkbox"/>	None	<input type="checkbox"/>	Other
-------------------------------------	--------	--------------------------	-----------	--------------------------	------	--------------------------	-------------	--------------------------	---------	--------------------------	------	--------------------------	-------

If the Property is served by a Public water system (i.e. City), please provide Buyer with copies of the most recently paid water bill.

If the Property is served by a Cistern, please provide Buyer with a sketch depicting the approximate size and location of the Cistern.

If the Property is served by a Well, please provide Buyer with a copy of the Well Permit.

If Other, please explain: _____

B. Are there any adjudicated water rights (i.e., river, ditch) associated with the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please provide Buyer with a list of the adjudicated water rights.

C. Is the Property presently served by a sanitary sewer system?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	I don't know
-------------------------------------	-----	--------------------------	----	--------------------------	--------------

If yes, please indicate the type of system:

<input checked="" type="checkbox"/>	Public	<input type="checkbox"/>	Septic System	<input type="checkbox"/>	None	<input type="checkbox"/>	Other
-------------------------------------	--------	--------------------------	---------------	--------------------------	------	--------------------------	-------

If the Property is served by a Public sewer system (i.e. City), please provide Buyer with copies of the most recently paid sewer bill.

If the Property is served by a Septic System, please provide the date when the septic tank was last serviced: _____.

If Other, please explain: _____

Section 3 – Environmental Matters.

A. To the best of your current actual knowledge, do any of the following conditions now exist or have they ever existed:

(1) Have electrical transformers, capacitors or other similar equipment ever been stored on the Property?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	I don't know
--------------------------	-----	-------------------------------------	----	--------------------------	--------------

If yes, please describe types, quantities, when and where they were stored and by whom:

(2). Are there now any or have there ever been any underground or above-ground storage tanks on the Property?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> I don't know
------------------------------	--	---------------------------------------

If yes, please describe the type(s) of tank(s), when and where the tanks were located and the type(s) of substances stored:

(3). Are there now or have there even been any hazardous or toxic materials stored, spilled or deposited on the Property, such as radioactive materials, asbestos, pesticides, wastewater and other sludge, radon, methane, batteries or oil?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> I don't know
------------------------------	-----------------------------	--

If yes, please describe types, quantities and when and where they were stored, spilled or deposited:

(4). Have any Environmental assessments, studies or reports been prepared involving the physical condition of the Property?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> I don't know
------------------------------	-----------------------------	--

If yes, please describe: _____

(5). Has the Property ever been involved in an Environmental cleanup or remedial action?

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> I don't know
------------------------------	-----------------------------	--

If yes, please describe: _____

(6). Have you ever noticed sliding, settling, upheaval, movement or instability of earth or expansive soils on the Property?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> I don't know
------------------------------	--	---------------------------------------

If yes, please describe: _____

(7). Are any drums or other containers presently located on the Property?

Yes No I don't know

If yes, please describe the types of containers and, if known, please describe the substances stored in the containers: _____

(8). Have storage or disposal pits ever been located on the Property?

Yes No I don't know

If yes, please describe the locations and types of materials placed in each: _____

(9). Has any fill material ever been placed on the Property?

Yes No I don't know

If yes, please describe the types and amounts of fill material and the locations the fill materials were placed: _____

Section 4 – Other Disclosures.


A. Please list any other matters regarding the physical characteristics of the Property of which the Buyer should be aware: _____

POSSIBLE - LEAD BASED PAINT.

ADVISORY TO SELLER:

- **Failure to disclose a known material defect may result in legal liability.**

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE. Any changes will be disclosed by Seller to Buyer promptly after discovery.



JoAnn Marie Mills Date

Buyer hereby acknowledges the receipt of this Disclosure:

Buyer Date

WARRANTY DEED

JoAnn Marie Mills, Grantor, whose address is 860 Chipeta Avenue, Grand Junction, CO 81501, for and in consideration of the sum of TBD and 00/100 Dollars (\$TBD), the receipt and sufficiency of which is hereby acknowledged, has sold, granted and conveyed, and by these presents does hereby sell, grant and convey to The City of Grand Junction, a Colorado home rule municipality, Grantee, whose address is 250 North 5th Street, Grand Junction, Colorado 81501, its successors and assigns forever, the following described real property in the County of Mesa, State of Colorado, to wit:

The West 95 feet of the North 1/2 of Lot 7 and the West 95 feet of Lot 8 in Block 137 of the City of Grand Junction;
Together with a right of way for sewer and water main across the East 45 feet of said lots;
And also together with a right of way as now constructed across Lots 9 and 10 in Block 137 for any necessary purposes.

Commonly known as 310 South 7th Street, Grand Junction, CO 81501.

TO HAVE AND TO HOLD the premises aforesaid, with all and singular the rights, privileges, appurtenances and immunities thereunto belonging or in anywise appertaining, unto the said Grantee and unto its successors and assigns forever, the said Grantor hereby covenants that she will warrant and defend the title to said premises unto the said Grantee and unto its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

Executed and delivered this _____ day of _____, 200_.

JoAnn Marie Mills

State of Colorado)
)ss.
County of Mesa)

The foregoing instrument was acknowledged before me this _____ day of _____, 200_, by JoAnn Marie Mills.

My commission expires: _____.

Witness my hand and official seal.

Notary Public

OWNER'S POLICY OF TITLE INSURANCE

Issued by **Lawyers Title Insurance Corporation**

POLICY NUMBER

C29-0241694



Lawyers Title Insurance Corporation is a member of the LandAmerica family of title insurance underwriters.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, LAWYERS TITLE INSURANCE CORPORATION, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

LAWYERS TITLE INSURANCE CORPORATION

Attest:

Secretary



By:

President

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1 DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's

Owner's Policy of Title Insurance - Schedule A

Issued by **Lawyers Title Insurance Corporation**



**LandAmerica
Lawyers Title**

Lawyers Title Insurance Corporation is a member of the LandAmerica family of title insurance underwriters

Lawyers Title Insurance Corporation
5600 Cox Road
Glen Allen, Virginia 23060

File No.: **00922417**

Policy No.: **C29-0241694**

Address Reference: **310 S. 7th Street, Grand Junction, CO 81501**

Amount of Insurance: **\$167,000.00**

Premium: **\$393.00**

Date of Policy: **November 6, 2008 at 11:47 A.M.**

1. Name of Insured:

The City of Grand Junction, a Colorado home rule municipality

2. The estate or interest in the Land that is insured by this policy is:

Fee Simple

3. Title is vested in:

The City of Grand Junction, a Colorado home rule municipality

4. The Land referred to in this policy is described as follows:

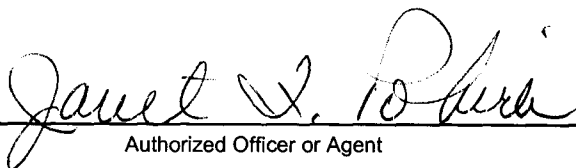
**The West 95 feet of the N1/2 of Lot 7 and the West 95 feet of Lot 8 in
Block 137 of**

CITY OF GRAND JUNCTION

**TOGETHER WITH a right-of-way for sewer and water main across the East 45 feet
of said lots;**

**AND ALSO TOGETHER WITH a right-of-way across Lots 9 and 10 in Block 137,
City of Grand Junction, for necessary purposes, as set forth in that Judgment Decree
recorded October 29, 1984 in Book 1514 at Page 457, Reception No. 1374633.**

Countersigned by:


Authorized Officer or Agent

SCHEDULE B EXCEPTIONS FROM COVERAGE

Policy No. **C29-0241694**
File No. **00922417**

This Policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof.
6. Any and all unpaid taxes, assessments and unredeemed tax sales.
7. Right of way as reserved by Joanna Moore in Deed recorded April 9, 1919 in Book 233 at Page 556, Reception No. 151030 for hauling or any necessary purposes.

Lawyers

Attached to Policy No. **C29-0241694**

Provided there is situated on the land described under Schedule A of the Policy a single family residence, the policy is hereby amended as follows:

Notwithstanding anything therein to the contrary, the policy insures against loss or damage by reason of the following:

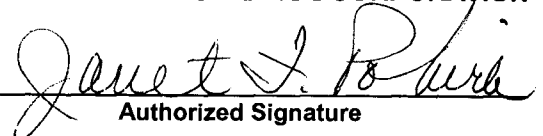
1. Any unfiled lien for labor or material furnished for improvements on the land (except for any such lien arising out of construction contracted for or assumed by the insured), provided construction of all improvements is completed at date of policy.
2. Rights or claims of parties in possession of the principal dwelling.
3. The enforced removal of the principal dwelling on account of, at Date of Policy:
 - (a) Any encroachment of said principal dwelling onto adjoining lands or onto any easement shown as an exception in Schedule B or onto any unrecorded subsurface easement.
 - (b) Any violation of building setback lines or covenants, conditions or restrictions referred to in Schedule B of the Policy.
 - (c) Any violation of any zoning ordinance if the land is used only for a single family residence.

The term "principal dwelling" means any single-family residential structure on the land whether detached or not. If the principal dwelling is a condominium unit it refers to the space within the boundaries of the unit. Additional improvements and areas such as outbuildings, detached garages, fences, driveways, retaining walls, plants and common areas are not included within this definition. The term "zoning ordinance" does not include building codes, occupancy regulations and subdivision laws.

This endorsement is made a part of the Policy and is subject to all the terms and provisions thereof and of any prior endorsement thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and prior endorsements, if any, nor does it extend the effective date of the Policy and prior endorsements or increase the face amount thereof.

Dated: **November 6, 2008**

LAWYERS TITLE INSURANCE CORPORATION

By 
Authorized Signature

Conditions Continued

liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the

Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final

Conditions Continued

determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons.

Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is

\$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at: Consumer Affairs Department PO Box 27567 Richmond, Virginia 23261-7567.

THANK YOU.

Title insurance provides for the protection of your real estate investment. We suggest you keep this policy in a safe place where it can be readily available for future reference.

If you have questions about title insurance or the coverage provided by this policy, contact the office that issued this policy, or you may call or write:

Lawyers Title Insurance Corporation
Consumer Affairs
P.O. Box 27567
Richmond, Virginia 23261-7567
telephone, toll free: 800 446-7086
web: www.landam.com

We thank you for choosing to do business with Lawyers Title Insurance Corporation, and look forward to meeting your future title insurance needs.

Lawyers Title Insurance Corporation

is a member of the LandAmerica family of title insurance underwriters.

